

1 Amend 2 Cal. Code Regs. section 18705 as follows:

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3 **§ 18705. Standards for Determining Whether a Financial Effect on an Economic**
4 **Interest is Material.**

5 (a) In order to determine if a governmental decision's reasonably foreseeable financial
6 effect on a given economic interest is material:

7 (1) For governmental decisions which affect economic interests in business entities —
8 apply ~~Title 2, California Code of Regulations,~~ 2 Cal. Code Regs. section 18705.1;

9 (2) For governmental decisions which affect economic interests in real property—
10 apply ~~Title 2, California Code of Regulations,~~ 2 Cal. Code Regs. section 18705.2;

11 (3) For governmental decisions which affect economic interests in sources of
12 income—apply ~~Title 2, California Code of Regulations,~~ 2 Cal. Code Regs. section
13 18705.3;

14 (4) For governmental decisions which affect economic interests in sources of gifts —
15 apply ~~Title 2, California Code of Regulations,~~ 2 Cal. Code Regs. section 18705.4;

16 (5) For governmental decisions which affect the personal expenses, income, assets or
17 liabilities of the public official or his immediate family (personal financial effect)—apply
18 ~~Title 2, California Code of Regulations,~~ 2 Cal. Code Regs. section 18705.5;

19 (b) General Rule. ~~(1);~~ Whenever the specific provisions of ~~Title 2, California Code of~~
20 ~~Regulations,~~ 2 Cal. Code Regs. sections 18705.1 through 18705.5, inclusive, cannot be
21 applied, the following general rule shall apply: The financial effect of a governmental
22 decision is material if the decision will have a significant effect on the official or a
23 member of the official's immediate family, or on the source of income, the source of
24 gifts, the business entity, or the real property, which is an economic interest of the

1 official.

2 (c) Special Rules. Notwithstanding ~~Title 2, California Code of Regulations, 2 Cal.~~
3 Code Regs. sections 18705.1 through 18705.5, inclusive, an official does not have to
4 disqualify himself or herself from a governmental decision if: ~~(1)~~ Although a conflict of
5 interest would otherwise exist under ~~Title 2, California Code of Regulations, 2 Cal. Code~~
6 Regs. sections 18705.1 through ~~18705.4, 18705.5,~~ inclusive, and 18706, the decision will
7 have no financial effect on the person or business entity who appears before the official,
8 or on the real property in which the official holds a direct or indirect interest, or on the
9 personal finances of the official and/or his immediate family.

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11 NOTE: Authority cited: Section 83112, Government Code.

12 Reference: Sections 87100, 87102.5, 87102.6, 87102.8 and 87103, Government Code.

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